

DEPARTMENT OF WATER RESOURCES

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TO: Distribution List

Assembly Bill 626 (Chapter 367, Statutes 2009) modified California Water Code (CWC) Section 83002 to require the Department of Water Resources to do the following:

- Award specific appropriations of Integrated Regional Water Management (IRWM) funds to Disadvantaged Communities consistent with the IRWM regional allocation schedule and
- Report to the Legislature by July 1, 2010 on the status of implementing CWC subparagraph 83002.(b)(3)(C).
This report provides the required status update.

If you have any questions, please contact me at (916) 653-7007 or your staff may contact Kasey Schimke, Assistant Director, Legislative Affairs Office at (916) 653-0488.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark W. Cowin".

Mark W. Cowin
Director

Attachments

Distribution List

Electronic copy of one-page summary distributed to all members of the Legislature.

Mr. E. Dotson Wilson
Chief Clerk of the Assembly
State Capitol, Room 3196
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Department of Water Resources

Cathy Crothers
Acting Chief Counsel
Office of the Chief Counsel
Department of Water Resources

Attachment 1

Summary of Department of Water Resources Report to Legislature Status of Implementation of California Water Code Section 83002.(b)(3)(C)

Assembly Bill 626 (Chapter 367, Statutes 2009) modified California Water Code (CWC) Section 83002 to require the Department of Water Resources to do the following:

- Award specific appropriations of Integrated Regional Water Management (IRWM) funds to Disadvantaged Communities consistent with the IRWM regional allocation schedule and
- Report to the Legislature by July 1, 2010 on the status of implementing CWC subparagraph 83002.(b)(3)(C).

The report entitled "Department of Water Resources Report to Legislature, Status of Implementation of California Water Code Section 83002.(b)(3)(C)" provides the required status update.

Department of Water Resources Report to Legislature

Status of Implementation of California Water Code Section 83002.(b)(3)(C)

Summary:

Assembly Bill (AB) 626 (Chapter 367, Statutes 2009) modified California Water Code (CWC) Section 83002 to require the Department of Water Resources (DWR) to do the following:

- Award specific appropriations of Integrated Regional Water Management (IRWM) funds to Disadvantaged Communities (DAC) consistent with the IRWM regional allocation schedule and
- Report to the Legislature by July 1, 2010 on the status of implementing CWC subparagraph 83002.(b)(3)(C).

This report provides the required status update.

Background:

Proposition 84, The Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006, approved by voters November 7, 2006, authorized the issuance of \$5,388,000,000 in general obligation bonds for the purposes of financing a safe drinking water, water quality and supply, flood control, and resource protection program. Proposition 84 amended the California Public Resources Code (PRC) to add among other articles, Section 75026 *et seq.*, authorizing the Legislature to appropriate \$1,000,000,000 for IRWM projects that assist local public agencies to meet the long-term water needs of the state including the delivery of safe drinking water and the protection of water quality and the environment. Of that \$1,000,000,000, \$900,000,000 referred to as "regional funding" was allocated to 11 hydrologic regions and sub-regions, also known as "funding areas" (PRC Section 75027.(a)(1-11)). The remaining \$100,000,000 was allocated to addressing multi-regional needs or issues of statewide significance.

Senate Bill x2-1 (SBx2-1) (Perata, Statutes of 2008) appropriated \$181,971,000 of Proposition 84 IRWM bond money to DWR for IRWM activities, of which \$100,000,000 was allotted for IRWM implementation grants and \$39,000,000 for IRWM planning grants and other actions. SBx2-1 required DWR to allocate not less than 10% of the above-referenced \$139,000,000 to address the critical water supply needs of DACs and to facilitate the participation of DACs in IRWM planning. AB 626 (Eng, Chapter 367, Statutes 2009) added additional requirement to the 10% DAC allocation. Specifically, AB 626 states the following:

"[CWC Section 83002.(b)(3)](C) (i) Of the funds described in clauses (i) and (ii) of subparagraph (A), the department shall allocate not less than 10 percent to facilitate and support the participation of disadvantaged communities in integrated regional water management planning and for projects that address critical water supply or water quality needs for disadvantaged communities.

"(ii) Except as otherwise specified in clause (iii), the department shall achieve the allocation described in clause (i) by awarding grants for those purposes to disadvantaged communities within a hydrologic region in a total dollar amount that is not less than 10 percent of the total dollar amount of grants awarded within the region.

“(iii) The department shall implement this subparagraph with due diligence, but shall implement clause (ii) only to the extent that the implementation does not affect the expeditious allocation of funds for integrated regional water management grants.

“(iv) The department shall submit a report to the Legislature with regard to the implementation of this subparagraph on or before July 1, 2010.”

Status

On March 8, 2010, DWR released the Draft IRWM Grant Program Guidelines (Guidelines) and the associated Proposal Solicitation Packages (PSPs) for the IRWM Implementation, IRWM Planning, and the related Proposition 1E Stormwater Flood Management grants. The Guidelines provide as general reference a list of legislative directives on development of the IRWM Grant Program, including those provided by AB 626. The PSPs provide specific references to how DWR will be implementing those directives. In April 2010, DWR held four public meetings to receive public comments and the public comment period closed on April 23, 2010. DWR considered the comments received, made necessary revisions to the Guidelines and PSPs. The Final Guidelines and associated PSPs were approved by DWR's Director in July 2010 (http://www.water.ca.gov/irwm/docs/Guidelines/Prop84/GL_Final_07_20_10.pdf).

Grant solicitation efforts are currently being conducted. IRWM Planning Grant applications were submitted on September 28, 2010 and IRWM Implementation Grant applications are due on January 7, 2011. When awarding the IRWM grant funds, DWR will meet the DAC allocation requirements of AB 626.